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FOR IMMEDIATE RELEASE

**PSC ISSUES REPORT ON TELEPHONY INFRASTRUCTURE IN NEBRASKA**

LINCOLN -- Eighty-two percent of Nebraskans live in a telephone exchange in which broadband services are available, a report distributed by the Nebraska Public Service Commission states.

In an investigation commissioned November 5 by the Commission to examine the state of infrastructure provided by the state's telephone companies, the Public Service Commission found that most Nebraskans have access to broadband services available whether they live in urban or rural settings.

Fifth District Commissioner Jerry Vap of McCook, sponsor of the study, said the effort was needed to determine the state of telephony in all of Nebraska. Now that the results are published, Vap believes most rural telephone customers have the same services as their urban counterparts.

"I know the rural independent telephone companies have made a tremendous increase in investments in infrastructure over the last few years," Vap said, "but I wanted to make sure that investment was delivering advanced services."

Vap believes up-to-date telephone services is a critical component for economic development in all parts of Nebraska. "I think the report even exceeded my expectations in the amount of investment in the infrastructure of the telephone system as well as the quality of equipment in use in the entire state, not just the metropolitan areas."

Since the inception of the Nebraska Universal Service Fund in 1999, through the 2001-2002 fiscal year, the Commission has paid \$107.5 million to telecommunications providers. Commission data indicates that Nebraska local telephone exchange carriers have invested almost \$3 billion in Nebraska telecommunications infrastructure.

For a five-year period from 1997 to 2001, annual gross plant in service expenditures have increased by local telephone exchange carriers every year, by 0.62 percent in 1997, 3.28 percent in 1998, 1.19 percent in 1999, 3.06 percent in 2000, and 6.22 percent in 2001.

Availability of broadband services, such as high speed Internet, has been an issue facing the nation for several years, particularly in rural areas. Commissioner Lowell Johnson of North Bend, who helped host a multi-state regional conference on broadband services in South Sioux City on April 19, 2000, recalled the lamentations of then-Federal Communications Commission Chairman William Kennard. "He told the conference that he did not have broadband services available at his metropolitan Washington area home," Johnson said.

"High speed Internet is now available over a wide area of the state," Vap said. The stereotype that only metropolitan areas of the state have broadband services is no longer true, he continued.

Johnson noted the significance that more than 80 percent of the state's citizens live in a telephone exchange served by broadband. "To me, the importance of the study is that it confirms that the people who want broadband service can get it. The only remaining issue is can they afford it."

Public Service Commissioner Rod Johnson of Sutton observed, "People don't realize the companies we have in this state are doing a good job providing advanced telecommunications services and investing in their infrastructure. The result is the industry is meeting the challenge to deploy broadband services."

Rod Johnson also noted that one of the reasons that Nebraskans can now have broadband services is the Universal Service Fund. "Thanks to the state's Universal Service fund program, we're giving the telephone companies financial stability to make these improvements."

For a variety of reasons, Rod Johnson said, "Some of the best telephone companies in the state are probably some of our smallest ones."

Commissioner Frank Landis of Lincoln, who represents both urban (Lincoln) and rural parts of the state in the First District, said, "I'm pleased that in Nebraska, we have the same access to high-speed internet whether they live in a town of 100 or a city of 100,000."

Lowell Johnson said the issuance of the report is not the end of the Commission's interest in the subject. "One of the important aspects of this docket will be the continued monitoring of investment in telephone infrastructure thereby ensuring quality service is provided to all customers, urban and rural."

Vap said copies of the report will be delivered to the 49 members of the Nebraska Legislature as well as Governor Mike Johanns and other state officials. The report is also available to the public and may be downloaded from the Public Service Commission's website.

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